CBO Use of DAMIR

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CBO's History and Mission

- History
  - Congressional Budget and Impoundment Control Act of 1974
- Statutory mission: assist the Congress in preparing and analyzing budget
- Most of CBO's work supports the work of the budget and appropriations committees
- CBO is nonpartisan

CBO's Organization and Staffing

- CBO has 230 full-time staff.
- Director appointed jointly by the Speaker and President pro tempore.
- Director appoints all CBO staff, based solely on professional qualifications, not political affiliation.
- 70+% of CBO professional staff hold advanced degrees in economics, public policy, or a related field.

Divisional Responsibilities

- **CBO is organized in accord with its responsibilities for budget and program analysis.**
  - **Budget Analysis**
  - **Macroeconomic Analysis**
  - **Tax Analysis**
  - **National Security**
  - **Health and Human Resources**
  - **Microeconomic Studies**
  - **Management, Business, & Information Services**

CBO's Responsibilities

- **Help Congress develop a budget plan.**
  - Produce a10-year baseline each winter to serve as a starting point (a benchmark projection, not a prediction).
  - Produce independent estimate of spending under the President's Budget Request.
- **Help Congress stay within its budget plan.**
  - Compare legislative options, including the President's, with the baseline.
  - CBO cost estimates of legislation allows comparison to budget resolution.

CBO's Responsibilities

- **Help Congress assess the impact of federal mandates.**
  - Mandate Statements in Cost Estimates
  - Activities Under the Unfunded Mandates Reform Act
- **Help Congress consider issues related to the budget and to economic policy.**
  - **Budget Options**
  - **Analytic Studies**
  - **Long-Term Budget Outlook**

CBO Does Not…

- **Make policy recommendations (strictly nonpartisan; no judgments about a legislative proposal's "merits")**
- **Enforce the Congressional Budget Resolution**
- **Write legislation (we evaluate different proposals, options)**
- **Implement programs, regulations, enforce budget rules (that's all Executive Branch)**
- **Audit spending or receipts (that's GAO: the Government Accountability Office)**

What CBO Looks at in DAMIR

- Funding and Cost Data
  - Funding annual summary
  - Production quantities
- Schedule
- Performance Characteristics
- Phone Numbers

- CBO Uses Data to:
  - Calculate top-level learning curves
  - Estimate cost growth in defense sytems by comparing changes in baseline over time
  - Calculate rough factors for nonrecurring engineering and support costs
  - Develop parametric cost factors based on performance characteristics
  - Inform Outlay Estimates

Advantages of DAMIR

- Easily accessible online
- Quick downloading into spreadsheets
- Automatic distribution to more than a dozen analysts in CBO
- Reduces our need to retain paper copies
- Easier access to historical data

ig Improvement over paper distribution of SAI

CBO Projects Using DAMIR Data

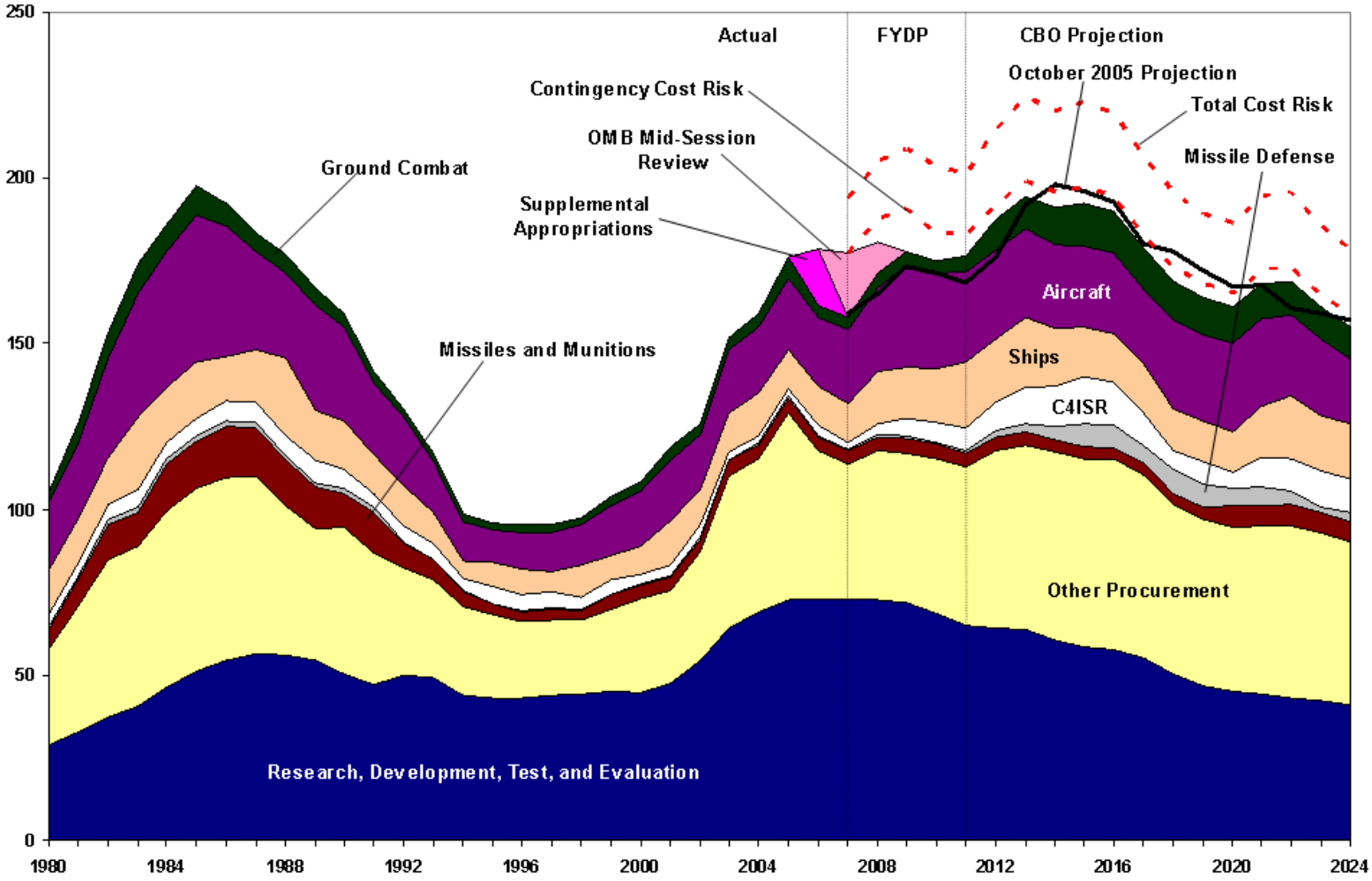
- Defense Resources Projection
- Budget Options
- “What-If” drills for appropriation and authorization subcommittees
- Analytic Studies of Defense Systems:
  - Cost estimates of alternative procurement schedules/quantities for current weapons systems
  - Cost estimates for future weapon systems

Defense Resources Projection

Figure 3-1 Updated

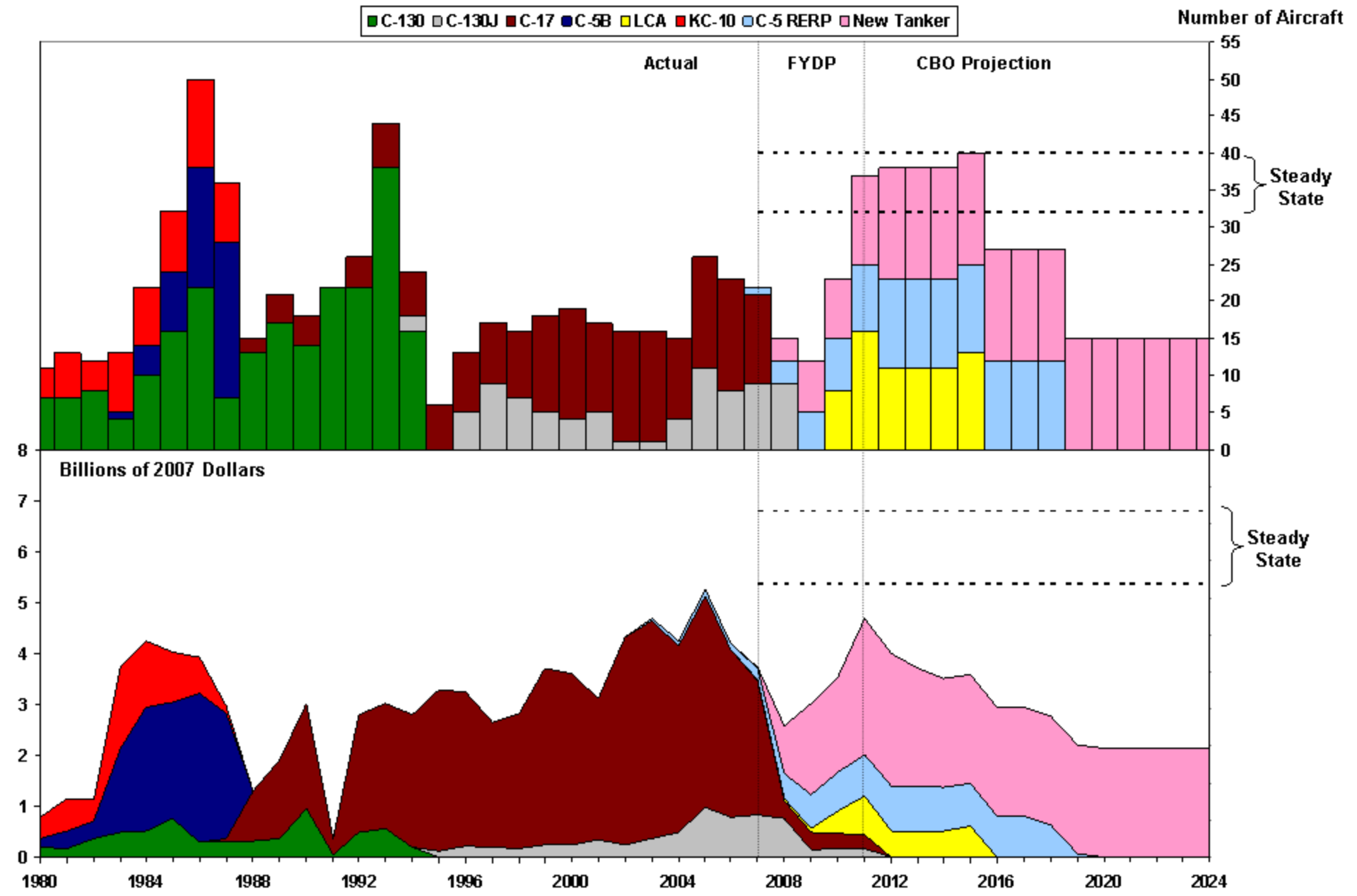
Spending for Investment, by Budget Account and Weapon Type

(Billions of 2007 Dollars of Total Obligational Authority)



Figures 3-24 and 3-26 Updated

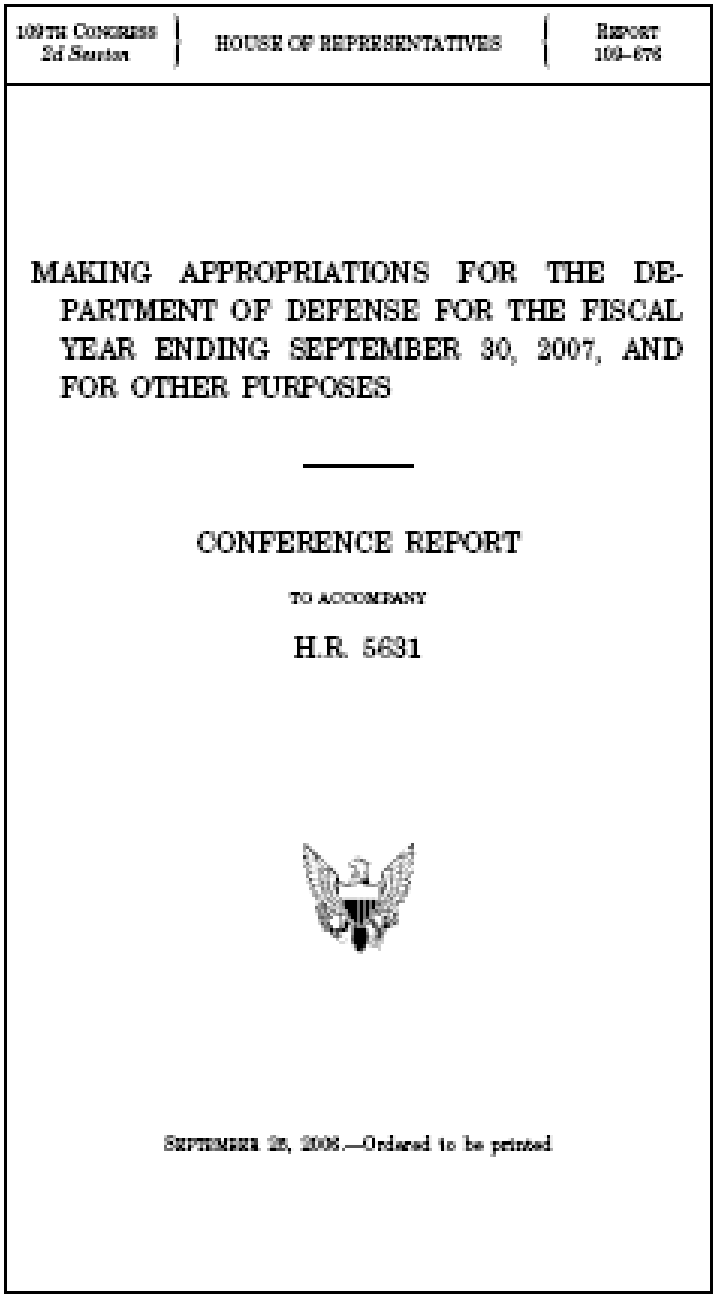
Procurement of Air Force Airlifters and Tankers



Budget Options Volume

“What If” Drills

- Changes to Procurement Profiles
  - Buy one more/one less
- Usually last minute or when the committee wants to keep proposal confidential during consideration



109TH CONGRESS
2d Session

HOUSE OF REPRESENTATIVES

REPORT
109–676

MAKING APPROPRIATIONS FOR THE DEPARTMENT OF DEFENSE FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2007, AND FOR OTHER PURPOSES

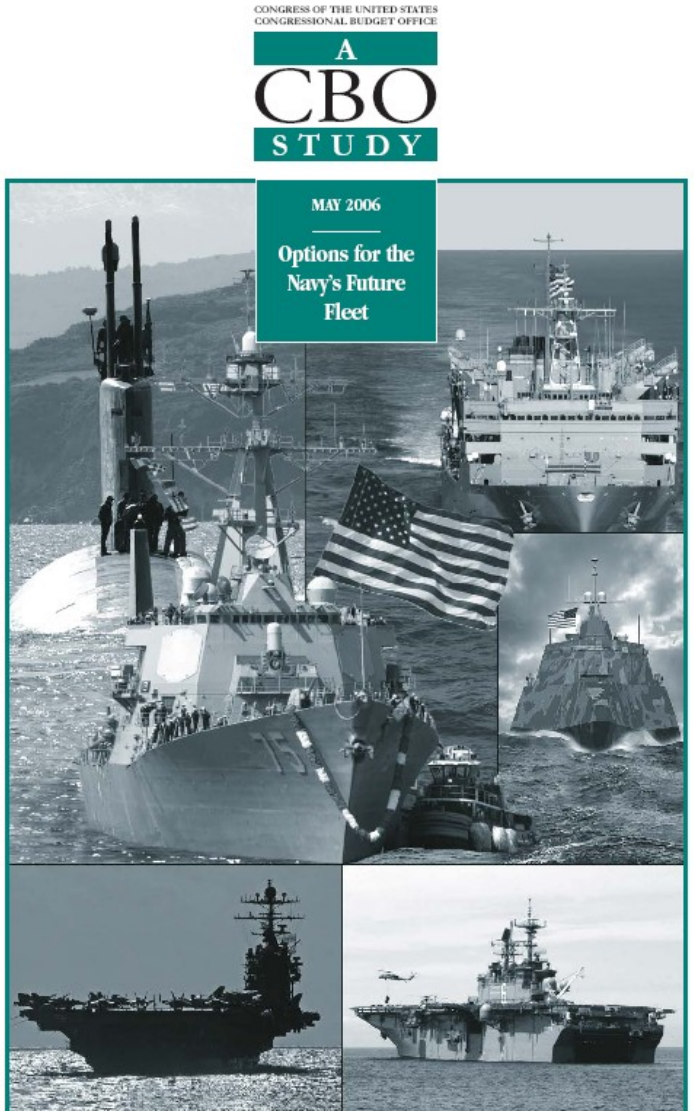
CONFERENCE REPORT

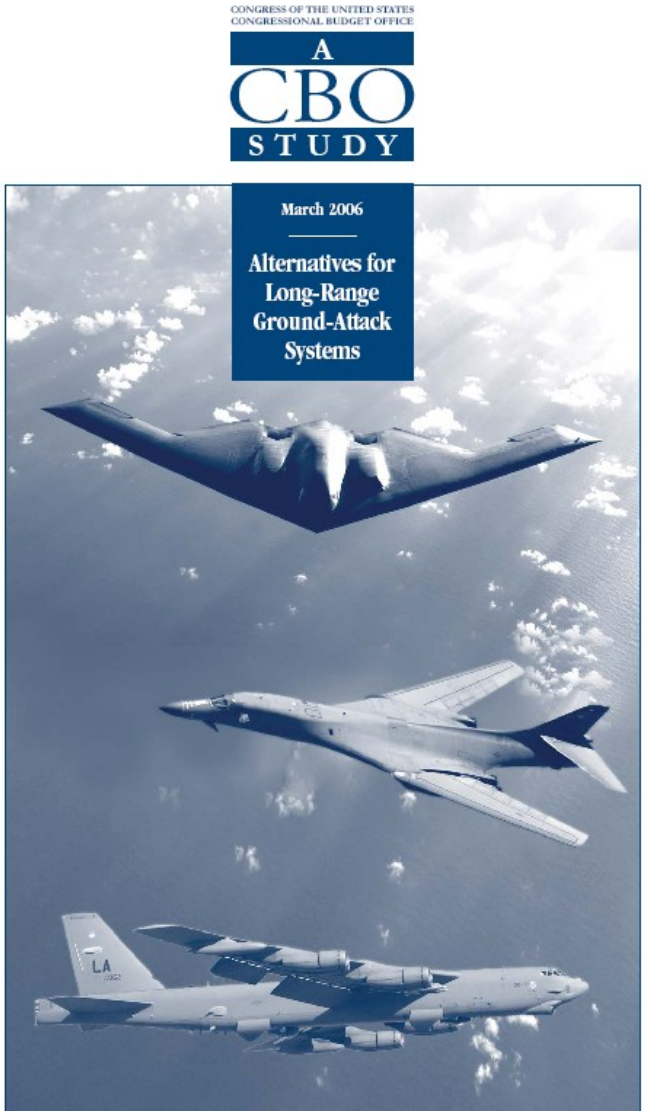
TO ACCOMPANY

H.R. 5631

SEPTEMBER 28, 2006.—Ordered to be printed

Defense Systems Studies





CBO Publications

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